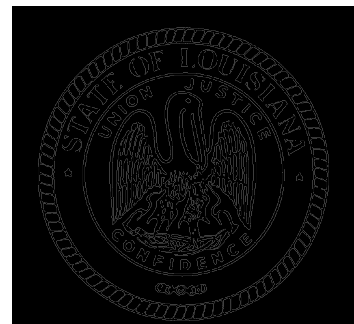


QUALITY JOBS PROGRAM

REBATE GUIDELINES



**State of Louisiana
Department of Revenue
Office Audit Division
617 North Third Street
P. O. Box 201
Baton Rouge, La 70821-0201
225/219-2430
FAX 225/219-2267
www.rev.state.la.us**

State of Louisiana
Department of Revenue

QUALITY JOBS PROGRAM
Louisiana State Sales/Use Tax Rebate
Louisiana Revised Statute 51:2451-2462 (Incentives)

The Department of Revenue will accept claims and issue rebates for Louisiana State Sales/Use taxes paid on construction materials, machinery, and equipment purchased during the construction period to be used on the approved site of the project indicated on the Quality Jobs contract. These claims will be accepted only after this department receives a copy of the signed contract from the Department of Economic Development.

This contract **does not** authorize any Louisiana State Sales/Use tax exemption on any purchases. Neither contract holder nor any of its contractors or subcontractors is authorized to make tax free purchases from vendors.

The Claim for Rebate of Louisiana State Sales/Use Taxes Paid Form must be submitted no later than **six months from the completion date reported on the Project Completion Report**. The following must accompany this claim form:

1. Appropriate schedules, as explained on Item III of the attached Information Sheet, listing materials, machinery, and equipment with vendor name, invoice numbers, delivery dates, purchase amounts, Louisiana State Sales/Use tax paid on each purchase, and brief description of each item. The Louisiana State Sales/Use tax is levied at a rate of 4% on purchases made in or delivered to Louisiana.
2. A certification stating the materials, machinery, and equipment included in the Claim for Rebate of Louisiana State Sales/Use Taxes Paid will be or have been delivered to and used on the site in the approved Quality Jobs project. Louisiana State Sales/Use taxes paid on construction equipment, leases/rentals, and consumables that are not actually incorporated into the Quality Jobs project are not eligible.
3. A certification stating the 4% Louisiana State Sales/Use taxes have been paid on the items listed.
4. A list of all contractors and subcontractors including addresses and contract amounts.
5. Provide a copy of each invoice totaling \$15,000 and greater. A description of the purchased item(s) must be listed on each invoice.

Failure to submit this information may result in processing delays.

Included in this packet are forms and/or examples of:

- Information Sheet
- Policy in Relation to Lease Agreements
- Claim for Rebate of Louisiana State Sales/Use Taxes Paid
- Rebate Worksheet
- Explanation of Disallowance Codes
- Schedules A, B, C, and CA

If you have any questions regarding your Claim for Rebate of Louisiana State Sales/Use Taxes Paid, please contact the Sales Tax Division at (225) 219-2430 or **www.rev.state.la.us**.

State of Louisiana
Department of Revenue

**Quality Jobs Program
Louisiana State Sales/Use Tax Rebate
Information Sheet**

I. Qualifying Items

- A. Capitalized and depreciable assets used in the business such as machinery, equipment, desks, filing cabinets, chairs, copy machines, and forklifts used exclusively for and delivered to the approved Quality Jobs site.
- B. Components of the building such as couplings, rebar, flanges, T's, ells, pilings, paneling, sheetrock, paint, shell, gravel which will remain on site, lumber, bricks, concrete for the building and driveways, grass, shrubs, etc.

II. Non-Qualifying Items

- A. Small hand tools (wrenches, screwdrivers, paint brushes, etc.); safety equipment (goggles, gloves, respirators, glasses, etc.); office supplies (pens, paper, staplers, etc.); blueprints; and photographs.
- B. Spare parts and repairs to equipment will be disallowed; however, replacement parts that are acquired at the time of the equipment purchase are acceptable.
- C. Leases and rentals.
- D. Purchases made by contractors which do not become a component of the building or passed on to the contract holder.
- E. Vehicles licensed for road use.
- F. Ineligible items listed on Schedule 1 of the Quality Jobs contract.

III. Rebate Request Is To Be Formatted In the Following Manner

- A. **Schedule A** should list items purchased by contract holder and no Louisiana State Sales Tax was paid on the purchases.
 - 1. The contract holder should have accrued and paid the Louisiana State Use tax directly to the Department of Revenue. Please note, if it is determined that the Use tax was not remitted, then tax, interest, and penalties must be paid prior to submission of the Rebate Claim. If not, interest, and penalties on those accruals will be deducted from the rebate.
 - 2. This schedule should list vendor name, vendor invoice number, delivery date, purchase amount, brief description of each item, tax period on which the items were accrued, and amount of Use tax paid.
- B. **Schedule B** should list items purchased by the contract holder and the Louisiana State Sales tax that was paid to vendor(s).
 - 1. This schedule should contain vendor name, vendor invoice number, delivery date, each purchase amount, amount of Louisiana State Sales tax paid on each purchase, and brief description of each

item.

- C. **Schedule C** should list items purchased by the contractor and Louisiana State Sales tax that was paid to vendor(s).
1. This schedule should list the contractor name, vendor name, vendor invoice number, delivery date, each purchase amount, amount of Louisiana State Sales tax paid on purchase, and brief description of each item.
- D. **Schedule CA** should list items purchased by contractor and no Louisiana State Sales tax was paid on the purchases.
1. The contractor should have accrued and paid the Louisiana State Use tax directly to the Department of Revenue.
 2. This schedule should list contractor name, vendor name, vendor invoice number, delivery date, and each purchase amount, brief description of each item, the contractor's Louisiana Sales/Use tax number, tax period on which the items were accrued, and amount of Use tax paid.
- E. Purchases on Schedule A and/or Schedule CA should be listed in chronological order by tax periods.
- F. Submit a legible copy of all invoices \$15,000.00 and greater. All invoices must be maintained should additional information be required during the audit of your claim by this department.
- G. Credit will not be given on progress payments until actual delivery of the tangible property to the approved Quality Jobs site. All progress payment invoices (100%) must be submitted to substantiate taxes paid on this property.
- H. Credits taken on any schedule must be accompanied by an explanation. If the credit is from a previous claim, indicate the date the claim was submitted, and identify on which schedule the invoice number and amount were claimed.
- I. Resubmission of information for disallowed items should be submitted separately from any new Claim for Rebate of Taxes Paid.
1. A copy of the disallowance schedule from this department should be included with the resubmission.
 2. Do not duplicate previously rebated items.

State of Louisiana
Department of Revenue

Guidelines in Relation to Lease Agreements

Any transaction involving tangible personal property determined by the Secretary of Revenue to be in lieu of a sale and/or which is determined to be a security device will be treated by the department of Revenue as a sale and a sales tax will be due on the total stated consideration less any separately computed finance charges. It will be necessary that each instrument be review in order to determine whether the transaction is actually a sale or a lease of tangible person property.

- I. The following is a list of factors that would indicate the instrument is actually a sale rather than a lease:

- A. Title passes to the lessee at the inception of the agreement.
 - B. The lessee is obligated for the total amount of the purchase price regardless of seizure by the lessor for nonpayment.
 - C. There is an automatic transfer of title at the completion of the lease contract without additional payment or for a nominal consideration as defined in R.S. 9:3306(20).
 - D. The lessee is obligated to make payment over the full term of the contract.
 - E. The sales price is established in the lease instrument.
 - F. The lessee has the right to apply lease payments against the purchase price.
 - G. The lessee has the responsibility to insure, maintain, service, and repair the property.
 - H. The total lease payment that the lessee is required to make is approximately equal to the regular purchase price of the property plus reasonable finance charge.
 - I. Any other provision of the agreement indicating the intention of the parties.
- II. The following is a list of factors that would indicate the instrument is actually a lease:
- A. The lessor retains control over the property.
 - B. The lessor has the absolute right to reclaim the property if the lessee defaults in payment of installments.
 - C. The rental payment is approximately equal to the fair rental value of the property.
 - D. The lessee can return the property in question at any time without being obligated for the total amount of the installments.
 - E. The lessor retain title to the property, take depreciation on it, and transfers it possession temporarily to one or more lessees, with none of them obligated to retain the property and with the option of returning the property to the lessor with no financial obligation beyond the payment of the agreed upon lease price for the periods of their possession.
 - F. The option price (price to be paid at the end of the transaction in order to obtain title) is approximately equal to the fair value of the property at the option date.

The actions and intent of the parties involved should also be reviewed and if the "lessor" credits his sales account, decreases his perpetual inventory and increases his cost of goods sold or if the "lessee" increases his asset account and begins taking depreciation on the property described in the "lease contract," it is an indication that a sale has actually taken place.

In most instances, the contract will probably contain terms and conditions which will be included in the two categories listed above and it will be necessary that a judgment decision be made determining the nature of the instrument. The above listed items are to be used as guidelines only.

**State Of Louisiana
Department Of Revenue**

Quality Jobs Program

Claim for Rebate of Louisiana State Sales/Use Taxes Paid

STATE OF LOUISIANA

PARISH OF _____

Taxpayer Name _____
(Name on Quality Jobs Contract)

Mailing Address _____

City, State, Zip _____

Represented by _____
(Name and Title of Contact Person)

Telephone Number of Contact Person _____

Quality Jobs Contract Number _____

Louisiana State Sales/Use Tax Account Number _____

Contract Period(s) _____

1. Total amount paid for period \$ _____

2. Total amount of Rebate due \$ _____

3. Amount of this Rebate Request \$ _____

This Claim for Rebate of Louisiana State Sales/Use Taxes Paid is requested for the following reasons:

Signed _____

(Attach schedules and invoices to this form)

**State Of Louisiana
Department Of Revenue**

Quality Jobs Program

Claim for Rebate of Louisiana State Sales/Use Taxes Paid

STATE OF LOUISIANA

PARISH OF _____

Taxpayer Name _____
(Name on Quality Jobs Contract)

Mailing Address _____

City, State, Zip _____

Represented by _____
(Name and Title of Contact Person)

Telephone Number of Contact Person _____

Quality Jobs Contract Number _____

Louisiana State Sales/Use Tax Account Number _____

Contract Period(s) _____

1. Total amount paid for period \$ _____

2. Total amount of Rebate due \$ _____

3. Amount of this Rebate Request \$ _____

This Claim for Rebate of Louisiana State Sales/Use Taxes Paid is requested for the following reasons:

Signed _____

(Attach schedules and invoices to this form)

State Of Louisiana
Department Of Revenue

Quality Jobs Program Rebate

**Louisiana State Sales/Use Tax Rebate
Explanation of Disallowance Codes**

- 1 - Expendable.
- 2 - Purchased prior to project start date on the Quality Jobs Affidavit of Final Cost.
- 3 - Purchased after project completion date on the Quality Jobs Affidavit of Final Cost.
- 4 - Description is too general.
- 5 - Not taxable.
- 6 - Need copy of invoice.
- 7 - Contractors and Sub-contractors -need detail of purchases including: contractor name, vendor name, invoice number, delivery date, purchase amount, Louisiana State Sales/Use tax paid or accrued, and brief description of each item.
- 8 - Unable to identify item.
- 9 - Vendor's Compensation on taxes paid.
- 10 - Services, leases, and rentals not eligible.
- 11 - Need delivery date.
- 12 - Need description of item.
- 13 - Need vendor's name.
- 14 - Need vendor's Louisiana State Sales/Use tax account number.
- 15 - Labor is not taxable.
- 16 - No Louisiana State Sales/Use tax charged on purchases.
- 17 - Invoice(s) not legible.
- 18 - Rebate request greater than invoice amounts.
- 19 - Estimated tax not allowed.
- 20 - Licensed vehicles not eligible.
- 21 - Amount claimed exceeds 4% allowable tax.
- 22 - Need Debit/Credit memorandum issued.

- 23 - Need copy of all invoices \$15,000 or greater.
- 24 - Repairs to existing equipment not allowed.
- 25 - Need Louisiana State Sales/Use tax account number for accrued items.
- 26 - Need tax period(s) on accrued items.
- 27 - Unable to identify item on invoice.
- 28 - Not eligible under Quality Jobs Program.
- 29 - Tools not eligible.
- 30 - Tax not accrued on account or period stated on schedule.
- 31 - Description of purchase is not on invoice.
- 32 - Need copies of all invoices totaling purchase price and tax amount claimed.
- 33 - Amount claimed on schedule does not agree with invoice.
- 34 - Need all invoices (100%) on progress payments of equipment purchases.
- 35 - Need copy of invoice from vendor to contractor/subcontractor.
- 36 - Need documentation showing deliver to Quality Jobs project site.
- 37 - Need copy of cancelled check showing amount paid as indicated on invoice.